

ORIGINAL

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

Special Services Fees and Classifications) Docket No. MC96-3

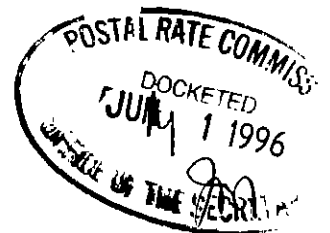
OFFICE OF THE CONSUMER ADVOCATE
INTERROGATORIES TO UNITED STATES POSTAL SERVICE
WITNESS SUSAN W. NEEDHAM
(OCA/USPS-T8-1-7)
(July 1, 1996)

Pursuant to sections 25 and 26 of the Rules of Practice of the Postal Rate Commission, the Office of the Consumer Advocate hereby submits interrogatories and requests for production of documents. Instructions included with OCA Interrogatories 1-4 to the United States Postal Service dated June 19, 1996, are hereby incorporated by reference.

Respectfully submitted,

GAIL WILLETTE
Director
Office of the Consumer Advocate

DAVID RUDERMAN
Attorney



OCA/USPS-T8-1. Please refer to page 58, lines 9-15, of your testimony. The proposed increase in the fee for the combined certified mail/return receipt service appears to increase the cost coverage of this combined special service from 205.5 percent to 274.3 percent. Exhibits USPS-T-5J at 23 and USPS-T-5G at 23. Is this correct? Please explain.

OCA/USPS-T8-2. The June edition of the Postal Service publication "Memo to Mailers" at p. 1 contains the following quotation from John Ward:

Our goal is to realign these services to better reflect customer demand and Postal Service costs while helping to keep postage rates stable longer.

- a. With regard to the increase in the cost coverage for certified mail, will the Postal Service implement service changes to enhance the quality of certified mail for postal customers? Please explain any service changes to be implemented and provide documentary support.
- b. Please explain how increasing the cost coverage of the combined certified mail/return receipt service from 205.5 percent to 274.3 percent better reflects customer demand.

- c. Please explain how increasing the cost coverage of the combined certified mail/return receipt service from 205.5 percent to 274.3 percent better reflects Postal Service costs.
- d. Please explain how raising fees helps keep postage rates stable for certified mail.
- e. Please explain how raising the fee for the combined certified mail/return receipt service, having one of the highest relative cost coverages, is appropriate, given that there are no proposed fee increases for special services with significantly lower cost coverages, such as COD and money orders.

OCA/USPS-T8-3. Refer to page 67, lines 1-6, of your testimony concerning alternatives to certified mail.

- a. Please explain to what extent a certificate of mailing is a substitute for certified mail.
- b. Please provide the cross-price elasticity of demand for a certificate of mailing and certified mail.

OCA/USPS-T8-4. Refer to pages 1-2 of your testimony concerning the proposal for registered mail. Assuming the proposal for registered mail is recommended by the Commission, will the Postal

Service implement service changes to enhance the quality of registered mail for postal customers? Please explain any service changes to be implemented and provide documentary support.

OCA/USPS-T8-5. Refer to pages 27-29 of your testimony concerning the proposal for insured mail. Assuming the proposal for insured mail is recommended by the Commission, will the Postal Service implement service changes to enhance the quality of insured mail for postal customers? Please explain any service changes to be implemented and provide documentary support.

OCA/USPS-T8-6. Refer to pages 73-74 of your testimony concerning the proposal for return receipt. Assuming the proposal for return receipt is recommended by the Commission, will the Postal Service implement service changes to enhance the quality of return receipt for postal customers? Please explain any service changes to be implemented and provide documentary support.

OCA/USPS-T8-7. Refer to page 116 of your testimony concerning the proposal for special delivery.

- a. Please confirm that special delivery has a FY 96 before rates cost coverage of 116.7 percent. Exhibit USPS-T-5G at 24.

- b. Please confirm that special delivery would provide a FY 96 before rates contribution to institutional costs of \$0.4 million. Exhibit USPS-T-5G at 24.
- c. To what extent would the proposal to eliminate special delivery cause the Postal Service to lose this contribution to institutional costs for the FY 96 test year, taking into account workpaper USPS-T-1, WP B. Please provide calculations.

CERTIFICATE OF SERVICE

I hereby certify that I have this date served the foregoing document upon all participants of record in this proceeding in accordance with section 3.B(3) of the special rules of practice.



DAVID RUDERMAN
Attorney

Washington, D.C. 20268-0001
July 1, 1996